



UNIVERSITY
of ALASKA

Many Traditions One Alaska

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News Release

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The University Of Alaska College Savings Plan Launches New Program With New Benefits

The University of Alaska College Savings Plan today announced acceptance of its first contribution to the new plan approximately two weeks after President Bush signed into law the Economic Growth and Tax Relief Act of 2001.

The tax act provides many significant benefits to participants in Section 529 (college savings) programs. These benefits, which become effective after December 31, 2001, include tax-exempt distributions for qualified educational expenses, increased allowances for room and board and non-taxable transfers between qualified state tuition programs for the benefit of the same beneficiary.

Alaska Representative Lisa Murkowski, one of the original sponsors of the legislation that created the UA College Savings Plan, agreed to be the first contributor to the plan and opened accounts for her children. "The changes in the tax law make this plan even more appealing now that investments for education can grow exempt from federal income tax if used for educational expenses," Murkowski said. The new plan, which is managed by T. Rowe Price, a nationally recognized mutual fund provider, officially launches with the acceptance of this first contribution.

Investment options include enrollment-based portfolios, static portfolios, and the Advance College Tuition (ACT) Portfolio. The enrollment-based portfolios range from 100% stock portfolios for students who are more than a decade away from college enrollment to a conservative portfolio with a 20% stock fund/40% bond fund /40% money market fund mix for students about to enter college. The three static portfolios (portfolios for which the asset allocations never change) include an equity portfolio, a fixed income portfolio, and a balanced portfolio.

In addition, the ACT Portfolio provides a balanced portfolio that is guaranteed to at least keep pace with tuition inflation at the University of Alaska for any distributions used to pay for tuition at the University of Alaska.

Participants can invest up to \$250,000 for each future student and accounts can be opened with as little as \$250 (or \$50 each month). "This plan provides parents, grandparents, or anyone else the opportunity to financially prepare for a child's college education and obtain valuable tax benefits at the same time," said Murkowski.

For more information about the University of Alaska College Savings Plan visit the Web site at www.uacollegesavings.com or call 1-866-277-1005.